# HOW GOVERNMENT WORKS:

## A COMMENT ON "WHEN GOVERNMENT WORKS" BY ROBERT C. WOOD

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Former Secretary of Housing and Urban Development Robert Wood, answering attacks on Federal bureaucratic systems and bureaucracies ("When Government Works," The Public Interest, Winter 1970), has produced a solution to Federal administrative problems which is in the classic tradition of public administration. Mr. Wood's suggested solution to alleged bureaucratic inefficiency in moving public programs toward public objectives is: first, more systematic and comprehensive control of federal bureaus by Cabinet Secretaries and other agency managers, with less interference by presidential staff; and second, more "professionalization" of the bureaucracy. "In short," he says, "what America needs is a better bureaucracy, not less of one; discipline in bureaucracy, not amateurs run riot."

Secretary Wood's answer does not seem unreasonable on its face. Certainly, two kinds of converse propositions -- either to do things worse rather than better, or to abolish bureaucracy -- would be nonsensical. Nor does Wood waste any time on answering some standard criticisms of governmental bureaucracy: routine inefficiency and

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laziness (e.g., long coffee breaks); corruption or careless accounting for funds; ardent pursuit of parochial goals. These are characteristics of many people and many organizations, and the specific attribution of these faults to public bureaucracies (with the implication that therefore, public functions might better be carried out privately) is questionable at best.

Wood sticks to the real question -- the effectiveness of government on carrying out public policy for national objectives. And it is on this ground that it is possible to question his premises and conclusions. Such questioning would come out with its own conclusions that bureaucracy does not work well, and that it does have major problems which, if not inherently unsolvable, are tough enough that we should look for ways around current bureaucracies and bureaucratic practices. These alternative conclusions would suggest that we should frequently go outside public bureaucracies for execution of public policies; when we stay within public bureaucracies, rather than trying to supervise them more systematically and in more detail, we should attempt to motivate them better.

To begin this line of argument it is necessary to challenge several of Wood's observations and premises. He suggests at the outset that the bureaucratic failures alleged are not due to the inefficiency of the bureaucracy but to its "efficiency for purposes other than those we feel appropriate." He cites three examples: the interstate highway program; urban renewal; and customs and immigration services at airline terminals, and he is certainly correct that the successes of these programs have been inappropriate from a social-problem-solving

viewpoint (or, in the case of customs and immigration, irrelevant). But this in turn suggests that perhaps bureaucracy is an inappropriate instrument for solving major social problems. The highway program, for example, has succeeded not merely as a nonsocial program, but by ignoring social objectives; Wood is correct in suggesting that the objectives, rather than the effectiveness in carrying them out, form the basis of most criticism. He is less correct on the question of urban renewal, however. In urban renewal, the efficient bureaucrats who renewed downtown areas ignored not only the social objectives liberal/intellectuals (and conservatives like Martin Anderson of The Federal Bulldozer and the Nixon White House Staff) thought to be important, but also the objectives the authors of the legislation thought appropriate. It is quite clear that the urban renewal program was indeed meant to renew downtown areas. But it was explicitly to do so without making those removed worse off; and there was a clear implicit major objective of rehousing the displacees in improved homes and neighborhoods. The point of urban renewal was to get rid of slums, but also to help slum dwellers. And urban renewal has been quite effective in clearing out slums, but too frequently it has hurt, not helped, slum dwellers. And that is the nature of the criticism. It has been ineffective for its design objectives, not merely for objectives that some minority of us hold to be "appropriate."

In another important observation on relevant recent history, Wood refers to one of the real problems of the bureaucracy being "conscious policy innovation by the lower echelons . . . believing that participatory administration gives the lowest regional officer the right to rewrite the rule book unilaterally. . ." His major case

in point is "the way in which early definitions of citizen participation survived successive reformulation of the Congress and the administration to recast the doctrine and bring City Halls and neighborhood groups into collaboration. At the regional level, in office after office, federal administrators never changed the signals." What he is referring to in large part is the struggle between OEO and HUD over the relationships between Community Action programs which stressed citizen participation and Model Cities programs which stressed responsibility of elected officials. And this struggle took place at high Washington levels, not merely among the "lowest regional officers." The battle was made possible in large measure by the fact that it simply never was clear what Congressional or administration intentions were in regard to the conflict between the two principles. Congresswoman Edith Green's 1967 amendment to the Economic Opportunity Act certainly moved the center of power toward elected officialdom, but it was ambiguous and open to many interpretations. Precisely to end this ambiguity, Mrs. Green and other Representatives introduced a 1969 amendment which made quite clear that the decision power should be reserved to officials, primarily on the state level. But the 1969 amendment was not passed, quite possibly because Congress preferred the ambiguity of the earlier version. This then is the point. Legislation is almost always ambiguous, frequently deliberately so. Bureaucracies interpret ambiguous legislation through the eyes of their own constituency interests and ideologies; this tends to lead to narrow interpretation, which is a partial explanation of the sins of the highway and urban renewal programs. And bureaucracies do clash honestly over ideological and interest differences. Sometimes

the interest structure is such that "subordinate" members of a bureaucracy clash with their superiors but this is not the basic phenomenon. What is basic is the inevitable clash of interests in a complex society. And any attempt at bureaucratic improvement that tries to do away with such clashes is going to sweep the problem under the rug, not solve it.

The Wood model of improvement is essentially the "good government" model associated with classic public administration, with the non-partisan City Manager movement, and with similar thrusts. It may be workable in municipal government, although this is increasingly open to doubt, but certainly at the national level there are real conflicts of interest over major social issues, and these are and should be represented in the bureaucracy. An effective bureaucratic system must channel them rather than trying to ignore them. Bureaucracies do represent constituencies in Congress and in the public, they do represent ideologies. They do clash, and the clashes seem unavoidable. Such clashes need resolution by politically responsible authority and that is why the Executive Office of the President, including the Bureau of the Budget, has increasingly intervened in what some believe to be purely administrative matters. Surely it does not seem good practice for the Executive Office or the Budget Bureau to intervene in the details of local applications of federal policy, but frequently this seems the only way to accomplish anything, given the strengths of existing bureaucracies, the impossibility and undesirability of eliminating conflict, and the necessity for resolution.

Wood makes four suggestions based largely on his good government interest-free model. He would (not in this order): synchronize the

budget and other schedules of the executive and legislative branches; make the Cabinet officers the instruments of presidential authority rather than the representatives of the bureaucracies they supervise; put programs on a multi-agency basis with a single "lead" agency having final authority; and change the outlook of bureaucracies.

Synchronizing the schedules so that appropriations are passed some time before the last few months of the fiscal years in which the money is supposed to be spent is devoutly to be wished for, and is likely to happen under public pressure. The other suggestions, however, either run counter to the interest-representing nature of federal bureaucracies or, worse yet, they run with the inclinations of these bureaucracies and against the effective implementation of national policy. Making the members of the Cabinet more representative of the presidential interest, for example, is important and useful, but it will be very difficult to achieve in a degree that will substitute for the detailed carrying out of the President's will in which the Executive Office specializes. For Cabinet Secretaries must run huge organizations like the Departments of Health, Education, and Welfare and HUD, and to run such an organization, the man at the top must ordinarily be at least somewhat responsive to his bureaucracy and interest groups. If he is very, very good, he can both effectively represent presidential policy and run his department, as did former Secretary of Health, Education and Welfare Wilbur Cohen. Or he can represent the President and run his agency in the face of determined opposition from its bureaucrats, as did former Defense Secretary Robert McNamara. But Cohens and McNamaras are rare, and although we need more of them, the successful future of bureaucratic government

can hardly be predicated on finding and identifying them and putting them into office amidst all the other pressures for Cabinet appointments. And in any case, good Cabinet secretaries may clash, at least as much as poor ones. A strong President will still need a strong Executive Office.

Wood's "lead agency" suggestion is counterposed to a tendency, at least in the last administration, to start new programs into operation by creating new agencies. This certainly did raise problems in the Johnson Administration, but the sad truth was and is that old agencies are set in old ways and the only way to innovate is in fact to challenge the old bureaucratic interests and ideologies with new ones (recognizing that the new inevitably grows old, and ultimately will have to be challenged in turn). A single dominant agency means a single dominant ideology, and the single dominance by the constituencies represented in the dominant agency. To get things done in new ways, it seems necessary to challenge and goad the old with rivalry and with competition. This is why the Office of Economic Opportunity was set up independently in 1965 (and one suspects that OEO is a chief case in Wood's mind). OEO was a challenge and a competitor to the Departments of HUD, HEW, Labor, and Agriculture at the national level. Community Action was a challenge and a goad to corresponding local offices of federal agencies and local agencies at the micro level. In addition, Community Action, with its possibility of independent funding and action, provided a safety valve for newly self-conscious minority interests in local areas, a safety valve that seemed very necessary at the time and still does.

Such competition and rivalry within public organizations makes the agencies challenged very unhappy, and it violates all bureaucratic and good government precepts. Above all, it is not neat, and neatness is a sine qua non of bureaucracy. Nonetheless, such lack of neatness seemed necessary to effect change, given the strength of inertia in any bureaucratic (or any other) organization unchallenged by competition. Any direct analogy between economic competition in product markets and bureaucratic competition would be strained (no manifest of bureaucratic success, for example, is as easily measurable as profits), but even in bureaucracy, the threat of a competitor can be a highly successful goad.

Wood admits that he does not know how to implement his suggestion for changing bureaucratic outlooks. But bureaucratic competition -- which he rejects -- may be precisely the way. Indeed, program improvement through competition and rivalry can be listed as Point One in an alternative to Wood's set of solutions for making bureaucracy work better. The alternative set would begin by realizing that real clashes of interest and differences of opinion exist, and in fact are vitally important. It would help the bureaucratic system handle such clashes by building and controlling competition. To do this, a mechanism is necessary for the ultimate resolution of such clashes; such a mechanism must be politically responsible to the will of a majority coalition, and this is the main basis for the move to strengthen the policy control of the Executive Office of the President. The Executive Office and the Budget Bureau should not, as Wood points out, interfere in every detail of policy implementation; they cannot. But

so long as a strong Administration wants its policy implemented and so long as bureaucracies unchallenged by other interests are free to implement their own ideologies, strong administrations will intervene. If, however, real interests are well represented by competing line agencies, then one agency may in part become the watchdog of another and the top level of government may be able to abdicate some of this watchdog function.

A second point in an alternative to Wood's set of solutions would be to build around federal bureaucracies as well as through them, utilizing private business through the market structure, and multiple political interests through devices such as Community Action. It is not that private organizations are more efficient than public ones; Wood can be presumed to be right in pointing out that public customs and immigration agencies operate more efficiently in air terminals than do the airlines. But the pluralism of working with private and political interests makes possible decentralization and economic and political competition through channels which are accepted and understood and which can be brought into line with public policy by manipulation of private incentives. This is the subject matter of a previous article of mine in this journal ("Rethinking our Social Strategies," Winter, 1968), and need not be gone into in detail here.

But the point is that a view of public administration which gets away from classical administrative solutions and moves toward the criterion of effectiveness of public programs in achieving public objectives dictates a quite different and more pluralistic system than that suggested by Wood. Such a pluralistic system would make use of

bureaucracy as it is and would not depend on the unreachable grail of the ultimate bureaucratic reform which public administrators have been searching for for years and have not found.